

**TESTIMONY OF JOHN D. CARUTHERS, JR.  
CHAIRMAN  
I-69 MID-CONTINENT HIGHWAY COALITION**

**BEFORE THE**

**SURFACE TRANSPORTATION AND MERCHANT MARINE SUBCOMMITTEE  
SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION**

**AND THE**

**TRANSPORTATION, INFRASTRUCTURE, AND NUCLEAR SAFETY SUBCOMMITTEE  
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORK**

**SEPTEMBER 9, 2002**

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Messrs. Chairmen and Members of the Subcommittees, it is a pleasure to come before you today to discuss the importance of the completion of Interstate I-69 to the efficient movement of the nation's freight.

When completed, I-69 will span the nation's heartland, connecting Canada and Mexico through the states of Michigan, Illinois, Indiana, Kentucky, Tennessee, Mississippi, Arkansas, Louisiana and Texas. Designated as congressional High Priority Corridors 18 and 20 in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and as Interstate Route I-69 in the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), the I-69 Corridor traverses over 150 counties and hundreds of municipalities, directly serving over 25 million people. The I-69 Mid-Continent Highway Coalition is comprised of cities, counties, states, business, labor and civic organizations all along the I-69 Corridor. It reflects the economic diversity of this vast region, including the agriculture, mining, timber, energy, transportation, chemical, electronic and industrial sectors-current and future users of the I-69 Corridor.

Two sections of the Corridor 18 system - Interstate 69 from Port Huron, Michigan at the Canadian border to Indianapolis, Indiana and Interstate 94 from Port Huron southwest to the Ambassador Bridge in Detroit and west to Chicago, Illinois - are existing-open-to-traffic Interstates.

The rest of Corridor 18, as well as Corridor 20, is under development. From Indianapolis south I-69 connects Evansville, Indiana, Memphis, Tennessee, Mississippi, Arkansas, Shreveport/Bossier City, Louisiana and Houston, Texas to the Lower Rio Grande Valley at the Mexican border. Corridor 20 extends along US 59 from Laredo, Texas at the Mexican border through Houston to Texarkana, Texas. A portion of Corridor 20 overlaps Corridor 18. Together, Corridors 18 and 20 comprise I-69.

The I-69 Corridor 18 and 20 system spans over 2600 miles. About 2000 miles from Indianapolis to the Mexican border remain to be completed. Completion of I-69 will not require an entirely new facility from Indianapolis to the Mexican border. In some areas it will link existing Interstates or highways at Interstate standards. In other areas it will require upgrading and linking existing non-Interstate highways and, in others, new construction.

Work is underway along the entire I-69 corridor. Feasibility studies have been completed and have shown that both Corridors 18 and 20 have positive cost benefit ratios returning \$1.57 and \$1.68 respectively for every dollar invested. Location and environmental studies are in progress and some sections are in design, preliminary engineering and construction. The entire corridor will be ready to go to construction and, in fact, much of it can be completed in the upcoming TEA-21 reauthorization, if funds are available.

While I-69 traverses nine states, it is important to the nation as a whole; for efficient movement of freight, for trade, intermodal connectivity and economic development. Trade has shifted, particularly after the passage of the North American Free Trade Agreement (NAFTA), from east-west to north-south. Canada and Mexico are now the United States' major trading partners. U.S. Mexican trade has more than doubled since the passage of NAFTA in 1993. U.S. imports from Mexico were

up 175% from 1993 to 1999. U.S. exports to Mexico rose 109% over the same period and trade with Canada increased 73%. In 2001, eighty percent of U.S. trade with Mexico and 67% of U.S. trade with Canada went by truck. The I-69 Corridor accounts for over 63% of the nation's truckborne trade with Canada and Mexico. It has the nation's busiest border crossings on both the Canadian and Mexican borders. The Michigan border points of Detroit and Port Huron account for 48% of the nation's truckborne trade with Canada and the Texas border between Laredo and the Lower Rio Grande Valley accounts for over 49% of the nation's truckborne trade with Mexico.

Examining the impact of NAFTA trade on just the I-69 states represented at this joint Subcommittee hearing, in my own state of Louisiana truckborne exports and imports to Canada and Mexico grew 47% from 1995 to 2000, from \$856 million to \$1.26 billion. The largest increase in freight traffic has been in truckborne exports to Mexico which have tripled since 1995. Truckborne exports from Mississippi to Mexico have grown 105% since 1995 and truckborne imports have grown 74%. Total truckborne trade between Mississippi and Canada and Mexico increased from \$984 million to \$1.415 billion, or 44% between 1995 and 2002. Truckborne trade between Illinois and Canada rose 49% from \$10.76 billion to \$16 billion. Truckborne trade between Illinois and Mexico rose 138% from \$1.9 billion to \$4.6 billion. The value of truckborne trade between Texas and Mexico and Canada has increased from \$35.6 billion to \$72.2 billion since 1995, 103% over 5 years. The largest increase has been in truckborne exports from Texas to Mexico. Michigan and Texas are our nation's two largest trading partners with other countries in North America, accounting for \$175 billion in value carried by all modes of surface transportation in 2000. Texas' North American trade is the equivalent of the combined North American trade activity of California, Pennsylvania and North

Carolina.

Looking at freight flows nationwide, not just with Canada and Mexico, approximately half of the total freight shipped in the United States in 1997 – over five billion tons – passed through, originated or terminated in the I-69 Corridor states. Freight is entering and leaving the I-69 Corridor by truck, rail, air and water. Seventeen of the nation's top 25 seaports are directly connected to I-69 and 13 inland waterway ports serve I-69 cities. Fifteen of the nation's top 25 air cargo airports are readily accessible to I-69. There are 96 rail terminals within 150 miles of the Interstate 69 Corridor. Every major eastern and western rail carrier and both Canadian carriers have terminal operations on the I-69 Corridor. There are truck rail intermodal facilities in every major city along the I-69 Corridor.

The I-69 Port of Houston leads the nation in foreign waterborne tonnage. The Port of Houston handled 128.8 million tons of foreign cargo volume in 2000, 23% more than the foreign freight traffic handled at any other port in the United States. The foreign trade cargo volume handled at the Port of Houston in 2000 was the equivalent of the foreign cargo volume at the Ports of Long Beach, Los Angeles, Portland and Seattle combined. It was also the equivalent of the 2000 foreign cargo volume at the Ports of New York/New Jersey, Hampton Roads, Charleston, and Miami combined. With the exception of the Port of South Louisiana, which is also directly accessible to I-69, the Port of Houston handled more total trade tonnage (imports and exports) in 2000 than any other port in the United States. The Port of Houston has 150 trucking lines and two railroads operating intermodal service.

While the Port of Louisiana is ranked third in the world in total tonnage, with 194 million metric tons of cargo volume, and the Port of Houston is ranked eighth in the world in tonnage with 144 million metric tons, container traffic is also growing. Container traffic in Gulf of Mexico ports served by I-69 is

growing faster than the national average or than traffic at Atlantic or Pacific ports. Between 1990 and 2000 Gulf port container traffic increased by 105% as compared to the national average of 99%. Container traffic in the Port of Houston grew 113%.

The I-69 freight corridor also serves the nation's inland waterways. The I-69 Port of Memphis is the second largest inland port in the country. The location of a foreign trade zone, it generates \$1.5 billion in economic activity annually. The Port handled 18.3 million tons of domestic trade cargo volume in 2000. More than 275 trucking lines operate regular intermodal services in the Port of Memphis. In the City of Memphis, one of the top ten distribution centers in the United States, all modes of transportation converge and link to I-69. Federal Express operates its main hub in Memphis. The company's delivery of nine million packages a day includes a high percentage of intermodal movements between truck and air. Every major eastern and western rail carrier has a terminal in this I-69 gateway.

Trade entering I-69 from all modes of transportation is growing faster than in the rest of the nation. The trade tonnage moving through the U.S.' top 50 entry points – including land, sea and air – grew 8.3% from 1990 to 1999. Trade tonnage moving through I-69 points of entry grew 18.3%, or more than twice as fast as the national average.

A Federal Highway Administration (FHWA) study, "Freight Analysis Framework" 2000, suggests that the recent growth in freight traffic will continue through the year 2020. The study estimates that total domestic freight traffic will increase by approximately 87% over the next twenty years and that international trade will increase over 107%. The vast majority of the new growth will be in the trucking industry with trucks expected to handle 68% of the increased tonnage, 82% of the increased value and 62% of the increased ton-miles. The FHWA Freight Analysis shows that the majority of the expected

growth in truck shipments will continue to be in the central, eastern and southern United States, with a dominant movement in the southwest to northeast direction – a movement ideally suited for the I-69 Corridor.

Yet the I-69 Corridor has not been completed and there is no direct Interstate level highway from Indianapolis to the Mexican border. Completion of I-69 will significantly enhance safety and efficiency along this key international trade route. I-69 will reduce travel time, fuel consumption and costs over the existing circuitous route. It is an essential intermodal link for trade and commodity flow. Completion of the Corridor 18 portion of I-69 alone is also projected to save 3100 lives, avoid 158,000 injuries and 409,000 property damage accidents.

In addition to its national and international trade benefits, I-69 will stimulate economic growth. I-69 traverses some of the nation's most impoverished regions. There are over 9.1 million people living below the poverty level in the I-69 Corridor states. In six of the Corridor states the population in poverty exceeds the U.S. average. There are 13 empowerment zones, enhanced enterprise communities and enterprise communities along the Corridor, including two rural empowerment zones – Mid-Delta and Lower Rio Grande Valley. Construction of I-69 will provide economic growth. The Corridor 18 Feasibility Study estimated that, in the Houston to Indianapolis segment alone, I-69 will create 27,000 jobs, add \$11 billion in wages and produce \$19 billion in value added through 2025.

When the Interstate system was initially designed in the 1940's and 50's, it was laid out generally east to west, reflecting the demographics, trade patterns and defense needs of the time. Trade has shifted, particularly after the passage of the North American Free Trade Agreement (NAFTA), from east-west to north-south. However, when the Interstate was declared completed in 1995, some

of the newer north-south sections like I-69 were left dangling and unfinished. The promise of the National Corridor Planning and Development and Coordinated Border Infrastructure programs in TEA-21, of which the I-69 Mid-Continent Highway Coalition was a major proponent, was the recognition that within the 160,000 mile National Highway System there were some remaining, unfinished corridors of significance to the nation as a whole, serving national objectives of trade and economic growth, that still needed to be completed and merited a separate program with dedicated funding to do so. Unfortunately, the program was only funded at \$140 million a year nationwide and many of the projects that qualified or were earmarked for funding were of local, not national interest. Despite insufficient funding diluted among projects that are not nationally significant, the I-69 Corridor made significant progress. Since the inception of TEA-21, I-69 has received over \$245 million from the National Corridor Planning and Development and the Coordinated Border Infrastructure programs and directly from the Highway Trust Fund. Funds have also been provided for specific segments in ISTEA, TEA-21 and appropriations. States have also invested substantial amounts of their own funds.

The Corridor has moved ahead so significantly that all of I-69 can go to construction in the period of TEA-21 reauthorization and much of it can be completed – if dedicated funds are available to do so. The last estimated cost of completing the unfinished portion of I-69 was \$8.3 billion, with the federal share at \$6.6 billion.

Having built the Interstate system, which served us well for the latter half of the twentieth century, we cannot rest on our laurels. We must invest our resources in those unfinished corridors that serve today's and tomorrow's twenty first century trade flows such as I-69. There are a number of mechanisms to accomplish this; limiting the Corridors and Borders program to major trade corridors



and increasing its funding, dedicating program funds to complete unfinished Interstate links or funding freight corridors. Any of these programmatic options would work - whether alone or in combination. The point is that we must recognize the need for and build the infrastructure to serve our nation's freight flows. The traffic is there. The intermodal connections – rail, water, and air - are there. The trade is surging at Houston, Detroit and Laredo. The maquiladoras in the Lower Rio Grande Valley of Texas are manufacturing automobile parts, electronics, computers, batteries and plastic, glass and rubber components and transporting them by truck for final assembly in manufacturing facilities in Michigan, Indiana, Illinois and Ohio. Corn from Indiana is being trucked to the Lower Rio Grande Valley to be used as corn syrup in soft drinks, fruit juices and candy produced in maquiladoras and shipped worldwide. Cotton is going by truck from Mississippi to be made into clothing apparel in South Texas. Foreign exports from the Port of Houston are going by truck to Chicago and Indianapolis. Yet the Interstate level facility to transport these products safely, efficiently and economically – I-69 remains unfinished.